

- SUBJECT:** Applying energy code modifications to industrialized housing
- COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended
- VOTE:** 8 ayes — T. King, Goldman, Geren, Harless, Hernandez, Herrero, Kuempel, Paddie
- 0 nays
- 3 absent — Guillen, K. King, S. Thompson
- WITNESSES:** For — D.J. Pendleton, Texas Manufactured Housing Association; (*Registered, but did not testify*: Ned Muñoz, Texas Association of Builders)
- Against — None
- On — (*Registered, but did not testify*: David Gonzales, Texas Department of Licensing and Regulation)
- BACKGROUND:** Occupations Code sec. 1202.002 defines "industrialized housing" as a residential structure designed for the occupancy of one or more families, constructed with modular components at a location other than the permanent site, and designed to be used as a permanent residential structure. Industrialized housing includes the plumbing, heating, air conditioning, and electrical systems of a structure.
- 16 TAC part 4, ch. 70, sec. 70 places the regulation of industrialized housing under the Texas Department of Licensing and Regulation.
- Health and Safety Code sec. 388.003(a) adopts the energy efficiency chapter of the International Residential Code as it existed on May 1, 2015 as the state energy code for single-family residential construction. Sec. 388.003(b) adopts the International Energy Conservation Code as it existed on May 1, 2001, as the state energy code for all non-single-family

residential construction. Sec. 388.003(d) allows municipalities to establish procedures to adopt local amendments to the energy code that would not result in less-stringent energy efficiency requirements.

**DIGEST:** CSHB 2546 would allow a manufacturer or builder of industrialized housing to construct industrialized housing in accordance with the energy efficiency performance standards outlined in the energy code or in a local amendment to the energy code.

The local amendment would have to be applicable to the municipality or county in which the industrialized housing would be located and determined by the Energy Systems Laboratory at the Texas Engineering Experiment Station of the Texas A&M University System to be equally or more stringent than the energy code.

The bill would take effect September 1, 2019.

**SUPPORTERS SAY:** CSHB 2546 would create a level playing field for industrialized housing, often called modular housing, by allowing the state to utilize energy code modifications currently available to site-built homes.

The bill would extend the benefits of energy code modifications to industrialized housing by allowing state agencies to utilize the local amendments to the energy code where the housing would be constructed. Since industrialized housing is regulated at the state and not the municipal level, industrialized housing currently is not eligible to use the energy code modifications available to site-built homes.

These modifications would not weaken energy efficiency standards for industrialized housing since local amendments to energy code would have to be equally or more stringent than the energy code itself.

**OPPONENTS SAY:** No concerns identified.